



Landlady who set fire to her own pub jailed for insurance fraud

LONDON, 4 October 2018 – Sedgwick, in partnership with insurers, investigated an insurance claim which led to Donna Tracey from Flintshire, Wales, being sentenced this month to four years and eight months imprisonment for arson and insurance fraud.

Ms Tracey, a 46-year-old landlady and former owner of The Rake and Pikel pub in Huntington, filed an insurance claim after a fire engulfed the pub on 29 April 2017. Tracey advised the Sedgwick loss adjuster initially appointed that she left the premises after the pub was closed shortly after 1am and went to the flat upstairs and then to bed. Shortly after 5am she said she was awoken by her dog barking and noticed a smell of smoke. She stated that she evacuated the dwelling and alerted a neighbour to the fire, who called for emergency services.

Tracey confirmed that the fire had caused her extreme financial loss, not only in terms of the destroyed pub contents, but also for business interruption and her personal household contents which were covered by the policy. She advised the loss adjuster that she believed that a fault on refrigeration equipment behind the bar was the cause of the fire; she also stated that no one including herself was allowed to smoke within the premises.

The claim was selected for investigation activity: concerns were held in respect of the circumstances of the fire – there seemed to be no evidence of an electrical fault, and this was puzzling. Additionally, what appeared to be a recent history of financial stress was noted.

CCTV footage collected by Sedgwick’s Investigation Services team revealed that Tracey had lit a cigarette behind the bar before using it to ignite a paper napkin, which she then dropped into the bin located beneath the bar, before walking away. When Tracey was shown a copy of the CCTV footage, she confirmed that it was her and admitted to having caused the fire and pleaded guilty to fraud by false representation on 10 September 2018 at Chester Crown Court.

The investigator also delved into the background of the policy inception and revealed that Tracey was in breach of Section of 216 of the Insolvency Act 1986 by continuing to use the trading name “Rake & Pikel” after the company went into creditors’ voluntary liquidation twice in 2015 and 2016.

Mike Cossins, senior investigator at Sedgwick said: “We were instructed by Insurers to carry out detailed investigations into the matter and reported our findings to the insurer together with enquiries that had revealed the full extent of Tracey’s financial distress.

“This sentencing sends a clear message to fraudsters that if they are committing fraud, the risk of being caught and prosecuted is very real. We are committed to work together with insurers and their professional advisers to address the threat of fraudulent claims.”

Steve Crystal, Head of Financial Crime at Sedgwick commented: “The court’s decision shows a firm stance against those attempting to defraud their insurers. Following the completion of

investigations, it appeared Donna Tracey's actions were deliberate, and she admitted this when challenged. Insurance fraud is a major issue and it was encouraging to see the court seeing it this way too."

END

About Sedgwick

Sedgwick is a leading global provider of technology-enabled risk, benefits and integrated business solutions. We provide a broad range of resources tailored to our clients' specific needs in casualty, property, marine, benefits and other lines. At Sedgwick, **caring counts**[®]; through the dedication and expertise of more than 21,000 colleagues across 65 countries, the company takes care of people and organizations by mitigating and reducing risks and losses, promoting health and productivity, protecting brand reputations, and containing costs that can impact the bottom line. Sedgwick's majority shareholder is KKR; Stone Point Capital LLC, La Caisse de dépôt et placement du Québec (CDPQ) and other management investors are minority shareholders. For more, see www.sedgwick.com.

Media contact:

Santi Dharmawan, FWD | +44 (0)20 7280 0644 | santi.dharmawan@fwdconsulting.co.uk

Gug Kyriacou, FWD | +44 (0)20 7623 2368 | gug.kyriacou@fwdconsulting.co.uk

Elliot Lane, FWD | +44 (0)20 7623 2368 | elliott.lane@fwdconsulting.co.uk

Judy Molnar, VP, public relations | +1-813-215-9358 | judy.molnar@clglobal.com